

Originally Processed With FOIA(s):

S

FOIA Number:

S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13754
Folder ID Number: 13754-004

Folder Title:
Michigan Commencement 5/4/91 [OA 8322] [4]

Stack:	Row:	Section:	Shelf:	Position:
G	26	21	3	7



The University of Michigan

Date: 4-26-91
To: Jennifer Grossman
Dept: White House Speechwriting Office
Fax No: (202) 456-6218
From: Shirley A. Clarkson
Office of the President

Number of Pages to Follow: 15

Sender's Fax Number: (313) 936-3529

Sender's Phone Number: (313) 764-6270

Remarks:



THE UNIVERSITY OF MICHIGAN

OFFICE OF THE PRESIDENT

2074 FLEMING ADMINISTRATION BUILDING
ANN ARBOR, MICHIGAN 48109-1340
313 764-6270 FAX: 936-0775

MEMORANDUM

TO: Jennifer Grossman
White House Speechwriting Office

FROM: Shirley A. Clarkson *SAC*
Assistant to the President

DATE: April 27, 1991

RE: Background materials and Talk Points for President's
Address to the University of Michigan Commencement,
May 4, 1991

Attached are some Talk Points along with some related articles and information. I hope they will be useful. I'll be glad to work on this some more and to be of help at any point. Just give me a call.

We are also sending out via Federal Express today some additional material requested by Peggy Dooley when she was here including the Ensign, our yearbook.

Cheers!

M.

HURRAH FOR THE YELLOW AND BLUE!

Fight Songs



THE VICTORS

Now for a cheer they are here, triumphant!
Here they come with banners flying,
In stalwart step they're marching,
With shouts of vict'ry crying,
We hurrah, hurrah, we greet you now,
Hail!

Far we their praises sing
For the glory and fame they've bro't us
Loud let the bells them ring
For here they come with banners flying
Far we their praises tell
For the glory and fame they've bro't us
Loud let the bells them ring
For here they come with banners flying
Here they come, Hurrah!

*Hail! to the victors, valiant
Hail! to the conqu'ring heroes
Hail! Hail! to Michigan, the leaders
and best
Hail! to the victors valiant
Hail! to the conqu'ring heroes
Hail! Hail! to Michigan, the champions
of the West!*

We cheer them again
We cheer and cheer again
For Michigan, We cheer for Michigan



We cheer with might and main
We cheer, cheer, cheer
With might and main we cheer!

Hail! to the victors valiant
Hail! to the conqu'ring heroes
Hail! Hail! to Michigan
The champions of the West!

Varsity

Men of Michigan, on to victory,
Every man in every play;
Michigan expects her varsity to win today.
Rah! Rah! Rah! Rah! Rah!
Win for Michigan

Varsity, down the field,
Never yield, raise high our shield.
March on to victory for Michigan
And the Maize and Blue. Oh, Varsity
We're for you.
Here for you, to cheer for you,
We have no fear for you.
Oh, Varsity.

THE YELLOW AND BLUE

Sing to the colors that float in the light;
Hurrah for the Yellow and Blue!
Yellow the stars as they ride through the night
And reel in a rollicking crew;
Yellow the field where ripens the grain
And yellow the moon on the harvest wain:
—Hail!

Hail to the colors that float in the light
Hurrah for the Yellow and Blue!

Blue are the billows that bow to the sun
When yellow-robed morning is due.
Blue are the curtains that evening has spun
The slumbers of Phoebus to woo;
Blue are the blossoms to memory dear
And blue is the sapphire and gleams like a tear:
—Hail!

Hail to the ribbons that nature has spun;
Hurrah for the Yellow and Blue!

Here's to the college whose colors we wear,
Here's to the hearts that are true!
Here's to the maid of the golden hair,
And eyes that are brimming with blue!
Garlands of bluebells and maize intertwine,
And hearts that are true and voices combine:
—Hail!

Hail to the college whose colors we wear;
Hurrah for the Yellow and Blue!

**MICHIGAN PRESS
READING SERVICE**
126 S. Putman, Williamston, Mich. 48895

SAGINAW, MI
NEWS
E-34,513, S-57,540

APR-12-91



News Staff/ Jeff Schuler

University of Michigan President James Duderstadt talks to students in an English class at Arthur Hill High School today.

U-M head lauds Arthur Hill projects

BY JEAN SPENNER
News Staff Writer

Arthur Hill High School students participating in the Saginaw River and Assessment of Writing projects are learning to contribute to a world society, University of Michigan President James J. Duderstadt says.

The two programs, which the Ann Arbor university and the Saginaw School District jointly operate, give students hands-on experience and are models for other districts to follow, Duderstadt said.

Both have gained national attention for their innovative approaches to instruction, involvement with higher education and focus on environmental and literacy issues.

Duderstadt visited with students at the high school, 3115 Mackinaw, this morning.

The idea of a college interact-

ing with secondary and primary schools is relatively new, he said.

In the river project, students test and analyze Saginaw River water for contaminants. Students involved in the literature effort get experience in writing, editing and publishing.

The student-produced, 400-page book titled "Footsteps: Looking Back, Moving On" is set for spring publication.

"Eventually, we get really good students from supporting programs like this," Duderstadt said. "The stronger the public school system is, the better off U of M will be. Higher education has to get involved (in secondary education); we've let it alone too long."

Duderstadt told members of Jo Ann Pelkki's second-hour chemistry class they are responsible for changing attitudes about the world's resources.

"In order to clean up the Saginaw River, you can't just do it by

itself, you have to work upstream," Duderstadt said.

Communications supply the backbone for education, Duderstadt told the young writers in Gail Oliver's English class.

"The typical college graduate will change not just jobs but entire careers a half-dozen times."

"One feature will always remain the same: Writing or communication is at the heart of all learning." Getting the opportunity to meet Duderstadt makes the Saginaw River Project more worthwhile, said junior Kelly C. Byrne, 18, the daughter of Karen E. Byrne, 1020 Adams, and Michael P. Byrne of St. Paul, Minn.

"It's exciting to get to meet him and to see he has an interest in what we're doing," said Byrne, who hopes to attend U-M to study genetic or environmental engineering. "It's nice to know that someone is actually paying attention."

SAGINAW, MI

NEWS

E-54,513; S-57,549

APR-13-91

U-M president: let's nail the bad educators

BY DENISE FORD-MITCHELL
News Staff Writer

The quality of education is steadily deteriorating, says the president of the University of Michigan.

Improving the offerings is the greatest challenge of the '90s, James J. Duderstadt said Friday.

"Elementary and secondary education needs a total overhaul," the Ann Arbor-based U-M chief administrator told members of The News Editorial Board.

"University officials today are involved in more remedial instruction than ever before.

"When I say remedial education I am talking about elementary level reading and math classes."

Company executives are realizing it's more cost-effective to financially support kindergarten through 12th-grade educational programs compared with paying for remedial classes for their employees later, Duderstadt said.

Financial aid is helping many students go to college, he said. It



News Staff/Jeff Richter

James J. Duderstadt, president of the University of Michigan, Ann Arbor, speaks in Saginaw. costs \$8,000 a year — tuition, plus room and board — to attend U-M as an undergraduate, he added.

Approximately 65 percent of the 36,000 U-M students receive some form of financial assistance, he said.

"The country probably already has enough money for education, but it's not deploying it right," he said.

He also noted that to maintain its existing educational offerings, based on a 5 percent inflation rate, the university would have to increase tuition 6½ to 7 percent during the next few years.

The state ranked 45th in the nation in the '80s for its funding of higher education, he added.

"We are entering a decade where employers will no longer just look at the piece of paper the student is holding. They are going to look at students' grade point averages and the subjects they have taken too," he said.

America's educational system must prepare students to adequately compete with others from around the world in the next decade, Duderstadt said.

"Educators have a major respon-

sibility to ensure students can compete against others around the world in a more technologically advanced job market. It's going to take a team approach," he said.

To improve America's bleak educational outlook the U-M president suggests school officials:

- Identify and mandate a basic course of study for students;
- Develop a system to determine if students are successfully learning basic information;
- Provide schools with adequate districtwide freedom and a substantial tax base of support;
- Stress the importance of accountability.

Duderstadt said Americans should honor the schools and teachers who are turning out students with the skills necessary for success "and nail those who don't."

"We can no longer place the blame on the efforts of previous generations," he said.

Friday morning, Duderstadt paid a visit to Arthur Hill High School, 3115 Mackinaw.

YOUR MONEY

State universities get pricier

NEW YORK — Some of the nation's steepest price increases this year will be at state colleges and universities. The average tuition will rise 10 to 12 percent, predicts Arthur Hauptman of the American Council on Education in Washington, D.C.

At the same time, education budgets will be slashed in many states, class sizes increased, staff dismissed and courses consolidated. The upward push on costs comes just when students from the middle classes are starting to flee high-priced private colleges and enroll in their state schools. Many private institutions received fewer applications for the 1991-92 academic year, while public institutions are reporting increases of as much as 15 percent, the Chronicle of Higher Education reported last month. To a refugee from private education, state schools will look cheap even after a double-digit price hike. In 1990, the average four-year public institution cost \$4,970 for in-state students, including room and board, compared with \$13,544 for a private one.

To a student of lesser means, however, who's already in the public education system, a \$500 price increase may sound prohibitive. Best advice: Don't get scared until you see how much of that increase will be covered by state and federal financial aid. Students with low family incomes should still have most of their expenses paid. It's middle-class students in public universities who will foot the rising bill. Middle-class families may not like to hear this, but they're in the best position to pay that extra \$500 or so. For them, public education is a bargain. If it takes higher tuition to help maintain the quality

Schools may need education on rebuilding to offer more for less money

of the school, they shouldn't object.

Behind rising tuitions lie shrinking state budgets, especially in the recession-wracked Northeast. In 1987, the budget for the University of Massachusetts was \$816 million, says spokesperson Walter Littell. This year, it's down to \$586 million and next year may fall another 18.2 percent. Tuitions will rise by around 20 percent.

The State University of New York is facing a budget gap of some \$160 million. Of that, \$60 million will be met by tuition increases of up to \$500 a head (on top of a \$300 increase this spring); the rest will come from budget cuts, according to chancellor D. Bruce Johnstone.

Many schools are still fighting to keep costs down — for their own residents, at least. At the University of Maryland, tuition for in-state students will rise 4 percent this year, says its chancellor, Don-

ald Langenberg. Out-of-state students will be charged as much as 15 percent more.

These increases "won't come anywhere near making up for the cuts" in state funding, Langenberg says. Funding dropped 8.2 percent at the midyear point. Next year, it will fall another 2 percent or more.

Arizona's state university system originally planned to charge in-state students an additional 3.3 percent this fall (a rise of only \$50 in tuition), and out-of-state students 6.94 percent more (a \$450 rise). But the state just chopped \$16 million out of its funding and may take as much as \$26 million more. If that happens, says the university's Stephen Jordan, fewer classes would be available, which would "probably for the first time force us to restrict admissions."

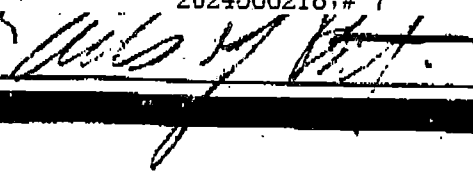
Here's the big question facing state colleges and universities: Can they learn to restructure themselves to deliver a quality product at a lower price?

A leader in this effort is the University of Michigan, which is re-examining its entire organization and approach. For example, "there will be a hard look at how technology can improve education," says Gilbert Whitaker Jr., provost and chair of the university's Task Force on Costs in Higher Education. Another idea: Require professors to do more teaching at some point in their careers, to balance time allowed for research.

"Business as usual won't do," agrees the University of Maryland's Langenberg, who is also undertaking a restructuring study. "What we're undergoing is not unlike the efforts undertaken by some American companies to regain competitiveness."

JANE BRYANT
QUINN



Mosser


2/20/91 to:
 President's Council
 Nancy Asin-For distribution
 to the Regents.
 Thanks.
 -JJDuderstadt

COST CONTAINMENT

Committing to a New Economic Reality

BY ROBERT ZEMSKY & WILLIAM F. MASSY

The front page headline of the Sunday *New York Times* said it all: "How Stanford, Wealthy and Wise, Is Cutting Costs to Stay That Way." The accompanying story gave details of a 13-percent cut in administrative and academic support costs that Stanford intended to achieve over the next 18 months in order to save the university's base operating budget \$22 million annually. One of the nation's richest and arguably best universities would spend substantially less money—and would eliminate more than 400 positions—as part of a larger strategy to make Stanford "more businesslike."

Stanford's announcement, and the considerable media attention it attracted, were tantamount to a public repeal of Howard Bowen's basic law of higher educational costs: "Each institution raises all the money it can . . . [and then] spends all it raises." At about the same time Don Kennedy and Jim Rosse were launching what they came to call Stanford's "Repositioning," Jim Du-

derstadt, president of the University of Michigan, was asking the dean of his School of Business, Gil Whitaker, to lead a special task force to develop strategies for curtailing costs in order to better achieve the university's ambitions. In March the task force submitted its report, and by June the entire campus community knew Ann Arbor was about to change. With remarkable candor, the task force framed the issue:

The University of Michigan has a long tradition as a comprehensive research university of outstanding quality, and any potential threat to that quality is a legitimate cause for concern. We have become convinced, however, that in many areas of the University's operations there is an inverse relationship between cost and quality, so that cost containment (and even cost reduction) can go hand-in-hand with quality improvement.

As Whitaker would later note on the eve of becoming Michigan's new provost and vice president for academic affairs, he and his group had been handed the "issue of the decade."

The Michigan and Stanford experiences—along with the handful of other institutions that have launched cost-containment programs—attest to a major change in the operating climate for American higher education. Few of those institutions are in financial trou-

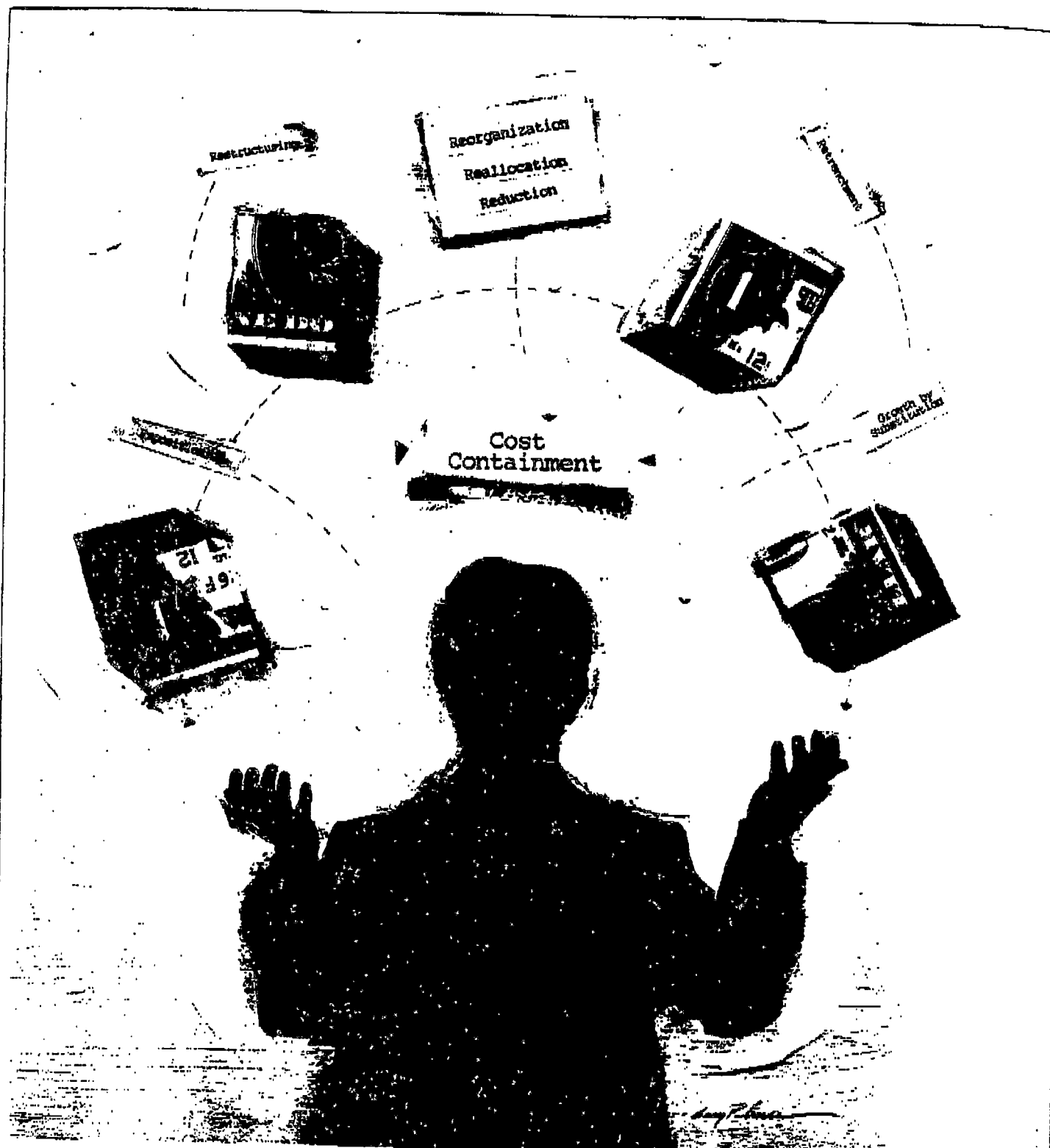
ble. They are not facing substantial deficits, as Stanford faced in the early 1970s; they are not confronting slashed appropriations leading to salary freezes and forced layoffs, as the University of Michigan was in the early 1980s and the University of Massachusetts is today. They have acted instead from a sense that, as institutions, they are less and less in control of their own destinies—lumbering along, awkward in their steerage, weighed down by decision-making processes that all but preclude the possibility of funding new investments through savings from current programs.

We now have come to understand that ample warnings of an impending change in climate were already present by the mid-'80s. Budget discussions took on an edginess as our institutions became more and more dependent on their ability to increase tuitions faster than inflation. As faculty salaries regained and then exceeded their buying power of the early '70s, administrative and academic support staffs expanded, as building booms spread across our campuses, the Cassandras among us became increasingly insistent in our warnings: We're over-reaching, we're losing our sense of discipline and control, we're heading for trouble.

Looking for allies as well as analogies, our colleagues began citing the ex-

ROBERT ZEMSKY is professor and director of the Institute for Research on Higher Education at the University of Pennsylvania. WILLIAM F. MASSY is professor of Education and Business Administration and vice president for finance at Stanford University.

CARTOON ILLUSTRATION

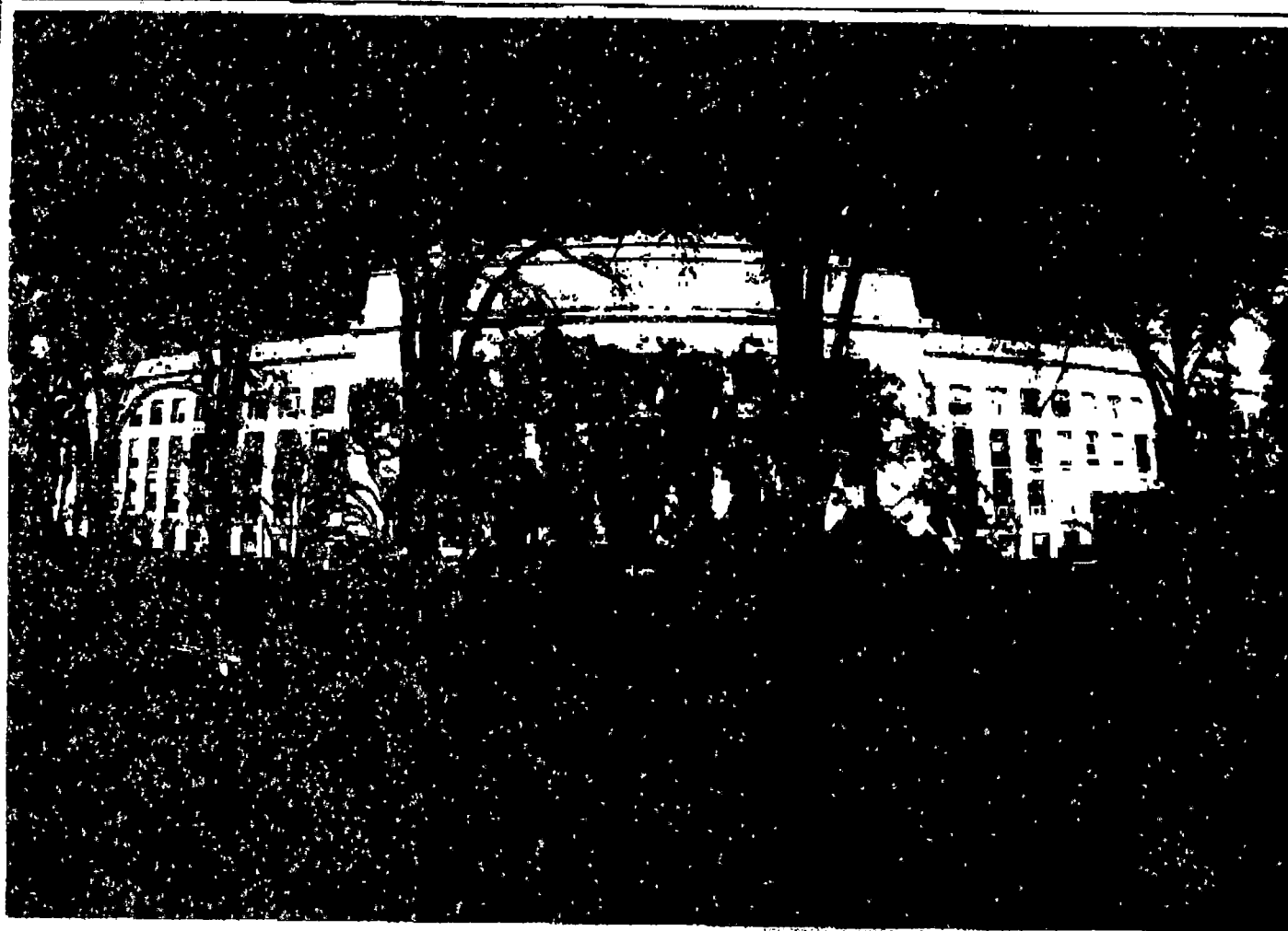


periences of American firms that had developed bloated bureaucracies and financial strategies yielding short-term profits at the expense of long-term growth. The experiences of corporate giants like IBM and AT&T, along with the newly deregulated airline industry, showed how getting "meaner and leaner" could be good for business, even if it meant reducing payrolls, scaling

back long-established products and services, and changing work rules and the way decisions are made.

Next came the public assault on the steadfastness, even the integrity, of American colleges and universities. Few have ever accused Bill Bennett of being a nice guy. He has an instinct for others' vulnerabilities that makes would-be targets squirm and causes uneasi-

ness even among those who share his views. He also has a turn of phrase and a sense of timing that made him the nation's most intimidating Secretary of Education. In the fall of 1986, Bennett went to Harvard to lecture the nation's best-endowed university on subordinating means to ends and, not incidentally, on higher education's preoccupation with money. Indeed, he charged



The University of Michigan's leadership and its stature as a major flagship institution with considerable constitutional and financial autonomy have both contributed to its willingness to take on the challenge of cost containment.

that "the education lobbyists put Harvard Square hawkers to shame," and that, indeed, he had "never seen a greater interest in *money—money, cash, bucks—among anybody.*"

Bennett was not so much interested in converting the crimson as in creating a national climate in which tough questions are asked of the nation's colleges and universities. He spoke often, and particularly, to the media. They rewarded his attention by amplifying his message. The Lancaster (PA) *Sunday News*, for example, ran Andrew Mollison's syndicated story detailing the Harvard speech under the headline: "Bennett Insults Higher Education to Open Costs Debate." It was, Mollison concluded, Bennett's opening salvo for his "new crusade—cost containment for colleges and universities."

Nor was Bennett alone. The fulminations of Charles Sykes in *ProfScam*, and the philosophical lamentations of Allan Bloom in *The Closing of the American Mind*, also contributed to a growing sense of vulnerability on the

part of American colleges and universities. But the principal voice was Bennett's, and, in an age of sound bites, the lasting impression is not of a venerable college president patiently explaining higher education's cost spiral, but of a canny, even cunning Secretary of Education who understood how to get folks' attention.

The internally generated questions about institutional viability were being amplified by an external challenge to the stewardship of the nation's most prestigious institutions. Ironically, perhaps, serious debate within higher education awaited Bennett's own departure from the Department of Education. With less shouting, less institution-bashing, with fewer personal attacks on college administrators and faculty, a new sharpness came into the kinds of questions higher education began to ask of itself.

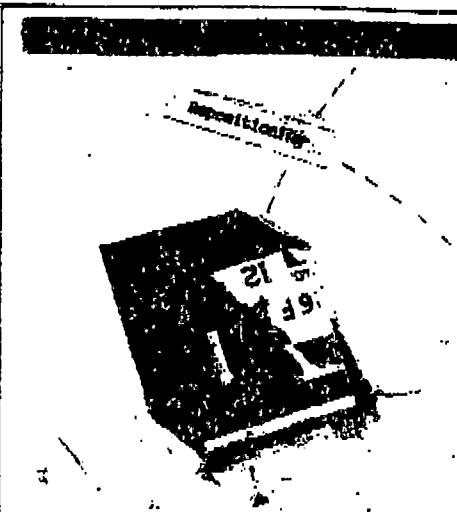
Higher education's Cassandra's were joined by a host of commentators—presidents, trustees, foundation executives—worrying out loud about the

continued escalation of costs and the inability of institutions of every stripe to renew themselves instead of growing larger and more cumbersome. A new lexicon came into existence as a result of an increasing focus on higher education's "cost-plus pricing" and its failure to achieve "growth by substitution" (see box).

The growth in fixed and overhead costs were described in terms of an "administrative lattice," endlessly extending itself in response to an environment of regulation and micromanagement, of administration becoming a goal in itself, and of a commitment to consensus management that too often made higher education risk-averse. Paralleling this growth in the administrative lattice was the functioning of a one-way "academic ratchet," which used increased productivity to fund new opportunities for faculty research and professional service. The net losers were the teaching program and the curriculum—which became little more than the sum of its separate courses.

The driving issue was not institutional greed, but something more subtle and close to the heart of the enterprise: greater discipline in decision-making and better focus on the fundamental values of education. Needed were simpler administrative procedures, fewer layers, less complex and cumbersome transactions. There had to be a new willingness to finance institutional renewal out of savings and a recognition that institutions could not follow their collective entrepreneurial instincts, becoming all things to all people. Ultimately, there had to be a greater sense of shared responsibility on the part of the faculty, leading to a shift in priorities that favored institutional over individual goals.

Last October—along with the president of The Pew Charitable Trusts, Tom Langfitt—we presented this argument to the Association of American Universities (AAU). Our plea received an attentive airing, but one, nonetheless, mixed with considerable skepticism. Would not the competitive environment work against the first institutions to cut costs? Didn't the university that reduced



Given
*political realities,
few public colleges or
universities are
prepared to admit they
can reduce current
programs without
suffering substantial
harm.*

staff, limited most new investments to institutionally defined priorities, and asked serious questions about faculty workloads and the real balance between teaching and research run the risk of losing key faculty and staff to competitors who were prepared to continue business as usual? We answered to the contrary, suggesting that the

first institution to get both meaner and leaner could enjoy a competitive advantage—particularly if it were seen as a winning institution that coped with the escalating costs of research by carefully reinvesting internally generated savings.

Hence the importance of the Michigan and Stanford cost-containment initiatives. Here are two major research universities, one public, the other private, prepared to risk their considerable national reputations in pursuit not just of cost savings, but of fundamental changes in the way they administer themselves. If they have yet to tackle the problem of the academic ratchet, they have, nonetheless, established a context for changing the academic culture.

In our own presentations to interested groups we are asked regularly about the general applicability of these first experiments to the rest of higher education. Some who ask these questions are openly skeptical, a few clearly hostile, and the remainder hopeful that there are in fact real lessons to be learned. No matter how the questions are framed, they consist of two basic queries that we present here—along with our best answers.

1. Do public institutions have the same incentives to cut costs as private institutions?

When first asked this question, our too-ready reply was, "Sure, the fact that a major public university like Michigan has committed itself to containment proves the general applicability of the challenge." Now we're not so sure. The more we speak with leaders of public institutions and officials in state government, the clearer it becomes that very different dynamics are involved in the two sectors.

We need to ask, "Who gets the savings when a public institution contains its costs?" When public institutions cut costs in response to reduced appropriations, the savings belong to the state. Once the state's budget crisis passes, each institution seeks the restoration of cuts made in its base budget.

Given political realities, few public colleges or universities are prepared to admit they can reduce current programs without suffering substantial harm. If savings are possible, then clearly the in-

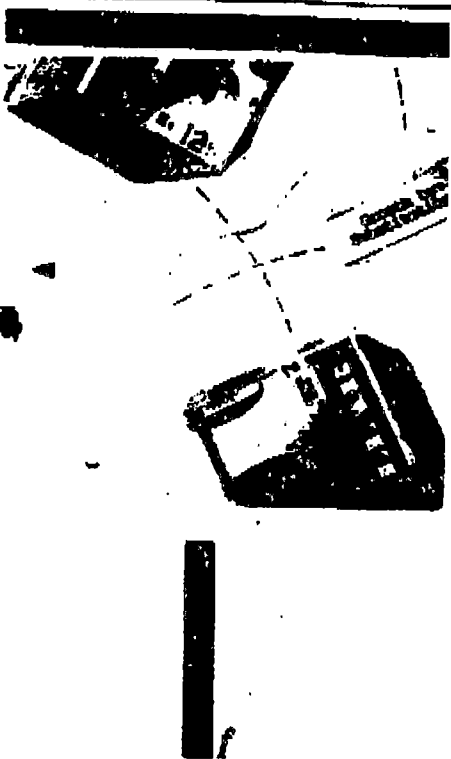
stitution can get by with a smaller appropriation—and there's the rub. To admit savings are possible is to admit past inefficiencies without deriving any direct benefit from one's candor. All the incentives go in the wrong direction—the way to get more money for new programs is to “prove” that no real savings are possible.

The real danger is that the leaders of public higher education will come to believe this rhetoric and fail to seek—let alone achieve—growth by substitution. What most leaders of public institutions require, we suspect, is a bargain in which the institution and the state share in any savings achieved through administrative reorganization and a better focusing of academic programs. Even were such a negotiation possible, it is not clear that the results would be legislatively binding. American tradition holds that no legislature can bind its successors. Yet even an ambitious cost-containment program like Stanford's presumes that savings would be realized over a three-year period—a term exactly one year longer than the life of most legislatures.

Public institutions of higher education are much more likely to operate within constraints imposed by collective bargaining agreements than their private-sector counterparts. What most unions seek are contracts that preserve employment and resist management-imposed work-rule changes. Short of a genuine financial crisis, few union leaders can be expected to endorse strategies that force layoffs and impose new ways of doing business simply for the sake of making the institution meaner and leaner, and hence better able to innovate.

The University of Michigan may be the exception that proves the rule. More than most public institutions, Michigan earns a substantial portion of its income by competing nationally for students and research funding. It has preserved its constitutional independence as a separately chartered institution fully capable of retaining savings for future investment. Michigan's willingness to take on the challenge of cost containment is a function of both the strength of its leadership and its stature as a major flagship institution that enjoys considerable constitutional and fi-

financial autonomy. The most important lesson to be learned from Michigan's public commitment to cost containment may simply be that public colleges and universities cannot be expected to engage in either academic pruning or administrative simplification if they do not first enjoy substantial fiscal and institutional autonomy.



*higher education as an
industry forges a
commitment to cost
containment, then most
small colleges will find
themselves caught
between a rock and a
hard place. . . .*

2. Isn't cost containment a strategy that works best for large, complex institutions because they can achieve economies of scale and, frankly, because they are the truly wasteful institutions?

Some of the angriest people we have met over the last year are the leaders of small liberal arts colleges who have come to see the call for cost containment as little more than a bad joke they cannot afford. They see their staffs as overworked and under-rewarded. Their institutions are more costly, not because they have added new programs but because the federal government has reneged on its promise of adequate financial aid for all qualifying students. Worse, their institutions are being made to pay for the profligacy of the nation's research universities—mega-institutions that, having forgotten the importance of teaching, use their instructional budgets to fund ever more arcane research and then compound their sins by engaging in a mindless defense of scholastic excellence at any cost. These small college presidents and deans are all for the Stanfords and Michigans learning the lessons of parsimony—but they are damned if they will put their heads in a noose constructed out of someone else's arrogance.

We have sought to deflect some of this anger by gently pointing out that even small colleges have increased their professional staffs while holding the size of their faculties constant. Much of this growth in administrative staff was in direct support of revenue-producing activities such as admissions, student services, development, and financial aid; nonetheless, it amounts to another extension of the administrative lattice that contributes substantially to the increased costs of higher education.

The fact remains, however, that these small colleges are at a considerable competitive disadvantage, precisely because they cannot achieve the same relative level of savings as their research counterparts. They do not suffer entrenched bureaucracies and seldom operate extended business or service functions that do not contribute directly to their primary mission of providing undergraduate instruction. Their faculty teach more with less support, al-

though they, too, teach less than they did two decades ago. They have made research and publication, and hence academic specialization, more important without having lost sight of the fact that teaching is their principal mission.

For the most part, the tuitions that small colleges charge are a function of the tuitions charged by the large private research universities that are the industry's price leaders—just as their costs in terms of faculty salaries reflect a labor market dominated by the hiring and salary policies of these same institutions. While small colleges ordinarily pay their faculty less than large universities do, they cannot afford to fall ever farther behind. Over the last decade the ability of major private universities to raise their tuitions substantially faster than inflation meant that small colleges could follow suit. Some of the extra revenue was used to recruit and retain faculty; the balance was spent on improving key administrative functions, on new, largely student-oriented buildings, and on financial aid.

If higher education as an industry forges a commitment to cost containment, then most small colleges will find themselves caught between a rock and a hard place, particularly if the industry's price leaders use a significant portion of their cost savings to limit their tuition increases. Some will seek to avoid the trap by increasing enrollment, most likely through a combination of matriculating more freshmen, achieving higher retention rates, and offering more programs to adult learners. Other institutions will limit their financial aid budgets, seeking instead more students who can afford to pay more of their own way.

There are, however, not many institutions for whom these strategies hold much promise. Nationally, the number of traditional-aged college freshmen—in particular, those prepared to pay most or all of their own way—will continue to decline through the mid-'90s. At the same time, the supply of adult learners seeking traditional baccalaureate credentials is probably close to its peak. While the number of adult learners will continue to increase, they will be concentrated in institutions that are low-cost, metropolitan, and capable of providing directly marketable job skills.

Finally, the pressure to reduce the federal deficit and the looming prospect of a national recession will further limit the availability of financial aid funds from both public and corporate sources.

In the end, most small colleges will confront a pair of tough options. The first is to get even meaner and leaner by finding new—and some not-so-new—ways to administer themselves. Institutions will have to require their faculty to take on more of the administrative burden, even at the cost of a less professional academic function. The most innovative will find new ways of organizing themselves, leading to new combinations of historically separate functions.

In our own work we have been struck by two such possible combinations: admissions and development for one, and human resources and student affairs for another. For each pair of these now separate functions, the "back-room operations" are strikingly similar, using identically structured data processing packages and frequently recruiting personnel from similar applicant pools. What separates them is the tradition of keeping academic functions distinct from administrative ones—a remnant of a hoary tradition that held the former was inevitably corrupted by the latter.

The second option is no safer. Small colleges provide a full range of course offerings to their students, a practice that makes them inherently expensive. Substantial savings would be possible if each institution could narrow its offerings to a set of "core" products and reduce its expenditures on faculty and facilities in "non-essential" areas. Different institutions might make different choices—collectively, perhaps, or through an independent search for the right "market niche." Ideally, the result would be to maintain today's array of choices for students, but with more institutional differentiation.

The rub, of course, lies in sorting a college's curricular offerings into "core" and "non-essential" categories. It means determining, institution by institution, what should be taught and, not incidentally, by whom and with what level of compensation and support. What ought to emerge from an institution-wide discussion of academic scope is a better

understanding of what the college does best, of the programs for which it has sustainable markets, and of the best deployment of faculty—both those traditionally trained and those who come to the academy in what are now defined as adjunct roles.

Our best guess is that most small colleges will try first to increase revenue to match the savings being achieved by their larger, more complex, and, frankly, more "administratively layered" peers. Eventually the realization will come that, whatever their current efficiencies, they will have to reduce further their administrative budgets. Some will do it by across-the-board "belt-tightening," reducing all budgets a little, keeping vacancies open a little longer, restricting themselves to entry-level hiring, and aggressively looking for reasons not to spend money. The dangers for these institutions are that the savings may prove inadequate, and the investment of time and energy in a pursuit that achieves increasingly smaller returns will demoralize the administration, eventually sapping the energy of the institution as a whole.

In the long run, the most successful institutions will be those that take on one or both of the larger challenges facing these colleges: looking for new ways to combine administrative functions, and developing acceptable procedures for reducing academic scope and changing faculty roles and expectations. Some first experiments are worth watching: among others, the academic refocusing of Bryn Mawr College, which has substantially reduced its graduate offerings, and the administrative savings achieved by Franklin and Marshall College through a combination of sheer discipline and the willingness to shut down administrative operations that were once an integral part of the institution's support environment.

In the national media, this fall's "back-to-school" issues were filled with stories of the new economic realities facing higher education. Though written from different perspectives and with somewhat different audiences in mind, each attempted to answer a simple catalog of questions. Had higher

messy?

A New Lexicon for Higher Education

For the past four years the Pew Higher Education Research Program, sponsored by The Pew Charitable Trusts, has worked to focus attention on higher education's national agenda. Recent issues of the program's quarterly publication, *Policy Perspectives*, have helped introduce four key terms to describe higher education finance:

Cost-plus Pricing: The reliance on price setting as a primary means to finance not just the cost of delivering a service, but of supporting additional undertakings within an enterprise. For higher education, it represents the practice of setting tuition rates to support all programs at current levels after inflation ("cost"), and to fund new initiatives requiring an augmentation of current capacity ("plus"). Cost-plus pricing proceeds from the

philosophy that evoking public criticism over price increases is less painful than stirring internal discontent over the attempt to shift funds away from programs that have outlived their purpose or effectiveness.

Growth by Substitution: Known as "the antidote to cost-plus pricing," this practice builds on the principle that sheer expansion beyond a certain point weakens an institution by skewing its focus, diluting its sense of mission, and compromising its ability to provide a quality service in an efficient way. Growth by substitution acts on the recognition that resources are finite, and that supporting growth in one area requires a corresponding reduction in another.

The Administrative Lattice: A term to describe

the proliferation and entrenchment of administrative staff at American colleges and universities over the past two decades. The term connotes not just the fact of this increase in staff—estimated at 60 percent nationwide between 1975 and 1985—but its effects on an institution's operations and costs. These include the transfer of tasks formerly accorded to faculty; the growth of "consensus management," which effectively diffuses risk and responsibility for decisions; and the increase of costs and decline of efficiency as administrative bureaucracy extends and solidifies its ties within an institution.

The Academic Ratchet: A term to describe the steady, irreversible shift of faculty allegiance away from the goals of a given institution, toward those of an academic spe-

cially. The ratchet denotes the advance of an independent, entrepreneurial spirit among faculty nationwide, leading to increased emphasis on research and publication and on teaching one's specialty in favor of general introduction courses, often at the expense of coherence in an academic curriculum. Institutions seeking to enhance their own prestige may contribute to the ratchet effect by reducing faculty teaching and advising responsibilities across the board, thus enabling faculty to pursue their individual research and publication with fewer distractions. The academic ratchet raises an institution's costs, and it results in undergraduates paying more to attend institutions in which they receive less faculty attention than in previous decades. □

education really changed? Were college and university presidents, along with their administrative colleagues and boards of trustees, really prepared to reduce administrative costs, place greater emphasis on teaching, and, oh yes, limit tuition increases? Would the faculty go along? Would there be department closings and layoffs?

Our own answers to these questions take on a somewhat wistful cast of a glass, not half-empty, but half-full. Higher education has changed. The genie of cost containment will not be squeezed back into the bottle. With cost-plus pricing no longer politically acceptable, institutions everywhere will start examining their own administrative lattices and begin considering what to do about their academic ratchets.

But the trials and tribulations have barely begun. Even Michigan and Stanford, and the handful of other institutions actively engaged in cost-cutting exercises, haven't yet actually saved much. At best, they think they know where they are going and how to get there. What they have in common is a

sense that cost containment is much more than cost cutting. Each of these institutions seeks a basic shifting of priorities along with substantial administrative redesign. They want to be not just leaner, but actually different institutions—more flexible, more able to focus their investments, simpler in their organization and management.

The woods are filled with institutional leaders who expect the redesigners to stumble. Whatever their sympathies with what Michigan and Stanford and the others are attempting, these skeptics fundamentally believe that higher education is not capable of purposeful redesign. Instead, they see a future of sustained, even debilitating cost cutting and financial crisis—a kind of destructive pruning that will allow, sometime in the next century, new growth and restored vitality.

Our bet is that Michigan and Stanford will succeed, and their example will be marched by programs of cost containment and administrative reorganization in other, similarly situated institutions. American higher educa-

tion, however, will not be well served if just a few major research universities—mostly private except for the occasional public flagship with genuine financial autonomy—learn to grow by substitution while the rest of the industry endures hard times.

The danger is that more and more public colleges and universities will come to resemble public school systems and other public agencies—that is, over-regulated institutions with ever larger investments in their own fixed costs and without sufficient incentives to capture their own futures. At the same time, the nation's smaller, private colleges will find themselves increasingly disadvantaged in a market dominated by their larger, richer university counterparts. It is that prospect that makes our glass only half-full.

The challenge higher education faces is to ensure that all institutions have sufficient autonomy and opportunity for savings to remain full partners in an industry whose strength resides in the diversity and vitality of its components. □

Ann Arbor News

4-26-91

U-M runners say buff is enough

By PETER MOONEY and STEPHEN CAIN

NEWS SPECIAL WRITER, STAFF REPORTER

Some 200 college-age runners — wearing nothing but their birthday suits and helmets to disguise their identities — dashed along South University Avenue and onto the University of Michigan central campus Diag late Wednesday night.

They were cheered on by several thousand spectators lining South University as well as by additional hundreds when they posed for the "official nude mile photo" in front of the U-M Museum of Art on State Street.

"It's hysterical," said U-M sophomore Steve Jones from his perch on one of the concrete planters recently installed along South University.

"Last year there were only about two women. This year the ratio is like 10 to 1," added U-M senior Rob Noack, who said he was not disappointed by the

distaff turnout.

Some of the runners appeared sheepish but others trotted along the side of the street, exchanging high-fives with people in the crowd.

The event, the sixth annual, was launched in 1986 by two members of the U-M Crew Club and two members of the university's track team, said Scott Bolden, a fifth year senior in crew who ran it all five years and now is one of the unofficial organizers.

"We ran it twice in 1987, with 12 runners and then 22," he said. "We had 40 runners the third year, 50 to 60 the fourth year and 78 last year. This year, we lost count at 215."

Crew Club President Craig Davis, a non-runner, says it celebrates the last day of classes.

"As it gets closer to the end of the school year, I

See STREAKERS, A14



STREAKERS

CONTINUED FROM A1

get lots of calls from people who want to know when it will be," he said. "Swimmers, lacrosse players, track team members and others who hear about it also simply join in. It's very loosely organized."

Despite the six-year history, Ann Arbor police officers said they could not recall or locate any reports or citizen complaints of previous nude runs.

And the only reason the department has a report on the current event, said Sgt. Mark Hoornstra, is that a citizen called in a noise complaint about the crowd on South University. Nothing was said about the nudity.

The report, filed by Officers Kristian Leyrer and David Strauss, said they were dispatched to South University, were told about the pending mass streak by the gathering spectators but were unable to keep the street open to vehicular traffic.

"About 100 males and females ran west down South University (toward the central campus Diag). We couldn't see where they came from, and we couldn't catch any," said Hoornstra, reading from their report.

"I kind of doubt if they really tried," speculated the sergeant. "Seems like it would have been kind of a futile effort."

Hoornstra, returning to the report, said:

"All appeared to be white and of college age. Some had inscriptions on their private parts which we were not close enough to read."

Bolden said the nude mile started at the corner of South University and Washtenaw Avenue, where several cars are parked to keep the runners' clothing safe.

"We ran up through the Diag chanting 'nude, nude' and then headed to the art museum chanting 'art, art' for the official photo," he said. "Then we ran past Steve's Ice Cream on State Street, went over to Regents Plaza and gave the cube a spin and headed back for our clothes."

"Every year, the cars leave before a few people have gotten their clothes back."

"I think it's just good, clean fun," said Bill Heafy, a U-M law student and spectator. "It's great. It's a great way to end the year."

A similar event March 31 at the University of Florida that was billed as the Second Annual Nude Relays, received national publicity.

Museum of Art offering tours to schools

Students will be assigned to groups according to their grade levels. Space is limited, and advanced registration is required. For reservations or information, call the docent office, 747-2087, between 9 a.m. and noon Monday-Friday.

The University of Michigan Museum of Art is offering special docent-guided tours for Ann Arbor elementary school children and accompanying adults Friday, which is a compensatory day. "A Museum Safari" and "Pigments of the Imagination" will be tours that will be given at 10 a.m. and 11 a.m.

Solar Car Reception/Friday, July 20

**Greetings to distinguished guests and colleagues
Most of all, welcome home to our Sunrunner team**

**As far as I am concerned this is as good as it gets
in my job.**

**For an engineer like me, your accomplishment is the equivalent
of making Phi Beta Kappa, winning the Rose Bowl
and NCAA Basketball Championship all rolled into one.**

**We are all very proud of you and your achievement.
You have brought honor to the University of Michigan
and to yourselves.
You exemplify the very best of the Michigan spirit.
the willingness to go all out--to be the very best.**

**You have done this not just by crossing the finish line first --,
although that is certainly a great joy to everyone here.
But you have done much more than win a difficult race.
You have demonstrated the qualities of character and commitment
that we think of when we think of Michigan.**

**First you dared to dream a difficult dream--
some would have said a near impossible one.
You have put your education and skill to use
to serve important human purposes.
You gathered 120 students from across the University
and built a real team**

to carry out the largest student project of its kind in our history.

**Working together, you translated your dream into reality.
--designing and building the Sunrunner--
showing such extraordinary vision, dedication, intellectual achievement and ability,
plus plain old fashioned hard work and long hours
to create this car.**

And it worked!

**What a moment that must of been
When you saw the car in motion for the first time.
You caught your first glimpse of the wonders of the future then
the one you yourselves have already begun to create.
Because the new power you have harnessed in this project
is not just the power of the sun but something just as awe-inspiring
That is the power of the human mind and heart--the power of ideas and spirit.
to change the world**

**And finally you showed the faith--the grit --and the wit--
it takes to stick with and win this grueling race
--11 days and nearly 1,800 long hard miles--.**

**We have all been watching you and the other racers
Pulling for you and marveling at you all.**

Now it I am delighted to share in the pride of this moment.
I thank you for for that.

I also want to thank the many sponsoring corporations
for helping to make this event possible.
What a wise investment this has been....
An investment not just of money but of faith
faith in these students and in the future they will build.
In a time when heroes seem to be in too short supply
We have here 120 of them united in one splendid effort.

It's a great day for Michigan!

Now as the team begins preparations for the World Solar Challenge
in Australia.

Congratulations, good luck and Go Blue!



POLYCONOMICS, INC.

86 Maple Avenue
Morristown, N.J. 07960

Jude,
F41- George Elsey's point that Truman was addressing the world fits Bush's situation. Surely there's a UN speech shortly down the road, and it would be the perfect time and place for the President of the U-S. to "fire the imagination of the globe" with a new "Point 4" initiative.

Peter

Day on top of us before we realized it. Of course, numerous aides and a committee had been working to make the day a smash, even before the election. They had plenty of money to spend, because the Republican Congress, expecting a Dewey victory, had abandoned its public parsimony and voted a whopping sum for the event.

1949
The weather on January 20 was perfect, very cold, but with bright winter sunlight pouring down from a clear blue sky. Dad started the day at 7 A.M. by eating breakfast with 98 members of Battery D and their wives. Mother and I came along and watched while he was presented with a gold-headed cane and a leather book in which each man had signed his name. Mother remarked that the cane would obviously last long enough for Dad to give it to his grandson. Dad promised to use it faithfully on his morning walks and then issued his marching orders for the parade. They were to be the guard of honor around his car on the ride from the Capitol down Pennsylvania Avenue to the White House reviewing stand. He wanted them to maintain their old World War I cadence—120 thirty-inch steps per minute. "I'm sure you can still do it for a mile and a quarter," he told them.

Although most of the boys were ten to fifteen years younger than Dad, there was a groan at the thought. They had been up until 3 A.M. the previous morning at the inaugural gala in the National Guard armory, enjoying the show put on by musicians, actors, dancers, and other show-biz politicians.

After we attended services at St. John's Episcopal Church, Dad drove to the Capitol to take the oath of office. His inaugural speech was memorable to me for many reasons. Although he served almost two full terms, it was the only Inaugural Address he ever gave. More important, he enunciated what I still think is the best definition of the difference between communism and democracy.

Communism is based on the belief that man is so weak and inadequate that he is unable to govern himself, and therefore requires the rule of strong masters.

Democracy is based on the conviction that man has the moral and intellectual capacity, as well as the inalienable right, to govern himself with reason and justice.

[400]

HARRY S-TRUMAN
by Margaret Truman (NY: Wm. Morrow & Co., Inc., 1973).

He then spelled out four cardinal points of American foreign policy, which the United States followed for the next twenty-five years. First was unfaltering support of the United Nations; second, the achievement of Europe's recovery through the Marshall Plan; third, military assistance to strengthen freedom-loving nations against the dangers of aggression. Fourth came the policy that caught everyone by surprise. Dad called for "a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth" of the underdeveloped parts of the world.

Point Four, as the proposal was immediately dubbed by the press, fired the imagination of the globe. Excited farmers in the Middle East sent letters to the local American Embassy, addressed to "The Master of the Fourth Spot." Arnold Toynbee predicted that Dad's call for the wealthy nations to come to the aid of the world's poor "will be remembered as the signal achievement of the age." Before the program was killed by unimaginative Republicans in the middle 1950s, more than 2,000 Americans from Boston, St. Louis, and Seattle and a hundred other towns and cities taught people in Indonesia, Iran, and Brazil better ways to grow their food, purify their water, educate their children. When the Democrats returned to office in 1960, Point Four became John F. Kennedy's Peace Corps.

The Point Four Program was suggested by Benjamin Hardy of the State Department, who first aroused White House aide George Elsey's enthusiasm for it. But the President's enthusiasm was the decisive factor. It was a feeling that came naturally to an ex-senator who knew and admired the achievements of the TVA in bringing prosperity to the underdeveloped valleys of Tennessee and an ex-farmer who had seen the miraculous rise in productivity wrought by the scientific and educational programs of the U.S. Department of Agriculture.

In spite of his enthusiasm for the idea, Dad's modesty almost persuaded him to omit it from his Inaugural Address. In fact, his desire not to seem to crow over his victory inclined him to make the Inaugural Address as simple and matter-of-fact as possible. In his mind, he at first bracketed it with the State of the Union address which he made to Congress a few days before the inauguration. He was inclined to limit the Inaugural Address to domestic

affairs and concentrate on international matters in the State of the Union.

George Elsey, who was assigned the job of drafting both speeches, became more and more unhappy with this approach. He stayed behind in the White House, working, while Dad and other aides were relaxing in Key West. "I finally wrote a long memorandum in which I argued as persuasively, and as forcefully as I could," George says, "that the President had one and only one inaugural opportunity and that he had other state of the union messages and would have still future state of the union messages." In the inaugural, George argued, Dad was addressing the world and ought to make a speech that suited the occasion. After thinking it over, Dad agreed. With this background, it is even easier to see why Point Four was greeted with enthusiasm in the White House. Benjamin Hardy had had no success whatsoever selling his idea within the Department of State. At this point, with the memory of the Palestine double cross still fresh, Dad and his aides took special pleasure in finding so much genuine merit in an idea that the striped pants boys had pooh-poohed.

After a quick lunch in Les Biffle's Senate office, Dad led the inaugural parade from the Capitol down Pennsylvania Avenue to the reviewing stand in front of the White House. The boys of Battery D strutted proudly beside his car in two long lines. Before they got started, Dad had to settle an argument which almost ended in a brawl. No one could remember—or at least agree—on who had carried the guidon in France and "Captain Harry" had to issue a ruling to settle the dispute. The aging artillerymen made it to the reviewing stand without a man falling out, but I heard later that they were not very lively at the inaugural ball that night. One man told his wife as he limped to the table, "The Germans never came so near killing off Battery D as their captain did today!"

The inaugural parade was great fun. Drucie Snyder and I salaamed like a couple of happy screwballs when the George Washington University float went by. When Strom Thurmond, the defeated Dixiecrat candidate, rode past as part of the South Carolina delegation, Dad turned aside and became deeply involved in conversation with others on the reviewing stand. Talulah Bankhead acted out what politicians wanted to do, but

didn't—she gave Mr. Th many things that Mr. Th Inaugural Day was its cor orders from Dad, for the fi admitted to all official a head of the NAACP, prai of all ordinary Americans.

After three and a half midshipmen, Missouri M jorettes, we dashed to the arriving an hour late. Dad two speeches and shook ha we raced back to Blair Ho

For the inauguration I I donned a tulle and bro phrase which did not catc hear me complaining abou The inaugural ball was so People simply got out on Xavier Cugat, Benny Goo own box, and Drucie Snyder all of us escorted by Whit with me, Bill Zimmerman. Years later, he ruefully to for the picture someone sn inaugural than for his fea Bill and the other White H braid, gold lace epaulets, a tificial splendor could outsh that if he had to pick the would have been it.

The celebrating tapered tions in the next few days, back to Missouri, and the V House and went to work. there was still the old ten servatives to vote Republic The world was still seethin there were several major ch

THE WHITE HOUSE

WASHINGTON

March 25, 1991

MEMORANDUM FOR TONY SNOW
MARK LANGE

FROM: DANIEL CASSE *Dac*
SUBJECT: The Administration's Health Initiatives

Attached is the draft health fact sheet I mentioned. Let me know if you need more material from HHS.

As it now stands, the proposed event in Chicago would include: a trip to a community health center where the President would meet with prenatal care specialists and patients; a trip to Northwestern Memorial Hospital, probably to see an infant intensive care unit; and then a speech at an as-yet-undetermined "community" site.

The purpose of the speech, as I understand it, is not to address health professionals, but rather to stress the need for community, family, school and church involvement in individual health prevention and personal responsibility.

Attachments

DRAFT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 25, 1991

FACT SHEET

**IMPROVING INFANT HEALTH, IMPLEMENTING MEDICAL
PROFESSIONAL LIABILITY REFORM, AND FOCUSING ON PREVENTION**

IMPROVING INFANT HEALTH:

The President today announced an Administration initiative to improve infant health in the United States. The initiative will seek to decrease the number of low birthweight babies and reduce the rate of infant mortality. The initiative expands upon existing efforts both by increasing the level of spending and by introducing a coordinated strategy for achieving measurable results. The three components of this initiative are:

- o A broad-based effort to expand service use by at-risk pregnant women that increases prenatal care and nutrition services and establishes an infrastructure for treatment programs that reduce harmful behavior.
- o A plan to target services and programs to at least 10 communities with exceptionally high infant mortality rates that reduces the high rates in these communities.
- o A national public education campaign that increases general public knowledge of preventable causes of adverse birth outcomes and makes available information to high-risk women and prospective fathers.

Background

Although the U.S. has made significant headway in improving infant health and reducing the infant mortality rate -- cutting the rate in half since 1970 to a rate of 9.7 deaths per 1,000 live births -- progress in reducing infant mortality has slowed in recent years. Throughout the 1980's, the percent of low birthweight babies (babies who are more likely to die or face a

lifetime of serious health problems) has remained essentially constant.

The risk of death or low birthweight for blacks and other minorities is particularly acute. Black infants are more than twice as likely to die as white infants. American Indian infants are 60 percent more likely to die than white infants, and Puerto Rican infants are 40 percent more likely to die.

Approach

Infant health is more than a measure of a society's medical and economic conditions or of government will. It is also a reflection of the social conditions, educational levels, and sense of moral obligation of individuals, parents, relatives, and communities. We can do better by refocusing governmental commitments in ways that enable mothers and fathers to take strong personal responsibility for the lives and health of their infants. Guided by this philosophy, the President's infant health initiative aims to:

- o Foster a culture of responsibility leading to changes in behavior that improve a mother's chances for delivering a healthy baby and increase a baby's chances for living a healthy life;
- o Target prenatal care to high-risk women and ensure that women who are at high risk of having babies with serious health problems are brought into the health care system early in their pregnancies;
- o Ensure that basic health care services, providers, and facilities are available to all pregnant women once they enter the health care system; and
- o Provide parents, and prospective parents, with hope and the ability to make responsible decisions, without enlarging the web of dependency that saps initiative and deepens despair.

The Existing Effort

To promote infant health, the Department of Health and Human Services (HHS) in Fiscal Year 1990 spent approximately \$4.3 billion on health care financing, services, and research related to infant mortality problems. The U.S. Department of Agriculture (USDA) spent roughly \$2.0 billion for special nutrition programs. States spent an estimated \$2.3 billion for their share of state Medicaid programs and public health departments provided prenatal care, well-baby programs and immunization services.

These efforts to improve infant health have helped us to make overall progress. Nevertheless, the rate of improvement has been disappointing. Some communities are being overwhelmed by a combination of factors such as a near collapse of two-parent families, weakening community involvement, shortages of available services, and the use of crack cocaine and other illegal drugs in epidemic proportions. Individual behavior has a large impact. For example, smoking during pregnancy causes 10 percent of infant deaths and 25 percent of low birthweight babies; yet, over 20 percent of women continue to smoke during pregnancy.

What Will Be Added

1. A broad-based effort to expand service use.

Early access to prenatal care is critical to preventing low birthweight and adverse pregnancy outcomes, yet nearly 25 percent of mothers receive no prenatal care during the first trimester of pregnancy. Over 6 percent of women receive no care at all or wait until the third trimester to receive care.

The President's initiative to promote infant health seeks to increase the frequency of prenatal care among high-risk women, develop new targeted treatment programs, and improve coordination of services through the following measures:

- o improving participation in Medicaid among pregnant women who are already eligible by 5 percent per year (60,000 women/infant pairs);
- o increasing the number of high-risk women who receive prompt, adequate prenatal care in community and migrant health centers;
- o increasing the number of pregnant women and infants who obtain adequate nutrition through the Women, Infants, and Children (WIC) supplemental nutrition program;
- o helping communities develop incentives to attract private obstetrical providers in low-income and under-served areas;
- o integrating smoking and drug abuse cessation programs into public prenatal care and nutrition programs; and
- o encouraging states to integrate and consolidate programs for pregnant women and infants by providing increased administrative support and flexibility for state efforts.

2. Target areas worse-hit by high infant mortality rates

While the infant mortality rate in the United States has diminished in recent years, disparities between geographic regions of the country remain great. For example, while the average infant mortality rate for the country's largest 50 metropolitan areas is 10.2 deaths per 1,000 live births, it ranges from 6.9 in Anaheim-Santa Ana, California to 23.2 in Washington, D.C. As part of the effort to reduce overall infant mortality, significant effort and resources must be committed to those regions where infant mortality rates are highest.

- o The President's initiative will target at least 10 communities with exceptionally high infant mortality rates and develop programs within these communities that increase the frequency of prenatal care among high-risk women, establish new targeted treatment programs, and develop special initiatives that address non-financial barriers to prenatal care.
- o Programs in the targeted areas will serve as testing-grounds for innovative strategies, allowing the relative merit of approaches to reduce infant mortality to be evaluated, and will serve as models for other communities throughout the country.
- o Target areas will be selected not only on the basis of a community's infant mortality rate, but also on its ability to articulate specific goals and strategies addressing known risk factors, and its willingness to participate in a rigorous program evaluation effort.

3. A national public education campaign

In 1985, only 54 percent of women aged 18-44 knew that heavy drinking during pregnancy increases the chance of birth defects; only 52 percent were aware that smoking during pregnancy increases the chance of low birth weight.

To address this information deficit, the President's initiative will include a comprehensive national public education campaign. This campaign will familiarize all Americans, and particularly high-risk parents, with information essential to rearing healthy infants through:

- o cooperating with the National Advertising Council, employers and private insurers to attract contributions of advertisers and free air-time for public service announcements;

- o targeting educational messages to schools, hospitals, community centers, business groups, and Healthy Mother-Health Baby networks in each state;
- o distributing maternal and child health handbooks to all pregnant women in publicly-funded programs;
- o providing information for expectant parents through a national toll-free hotline that is linked to local health care systems; and
- o developing a model program that encourages community awareness and involvement, using community mobilization grants from federal funds that are already available.

MEDICAL PROFESSIONAL LIABILITY REFORM:

The President today also announced an initiative to stem the rising costs of health care caused by medical professional liability. The President's proposal provides:

- o New federal legislation creating incentives to states that reform state tort laws and increase the use of regulatory tools to reduce negligent acts;
- o New federal legislation applying these reforms to cases brought under the Federal Tort Claims Act; and
- o Pilot projects offering alternatives to litigation for participants in the Federal Employees Health Benefits Program.

The initiative will seek to: reduce the transaction costs associated with liability dispute resolution; bring greater predictability to the system, thus reducing the amount of unnecessary defensive medicine; and reduce the number of negligent acts through more effective quality control efforts. The initiative will seek to reduce the number of negligent acts through:

- o Gathering and disseminating scientific findings about the effectiveness of varying types of treatment, including clinical practice guidelines;
- o Shifting the approach of Medicare's Peer Review Organizations (PROs) from after-the-fact review of hospital records toward providing statistical data which will enable hospitals to compare their performance;

- o Providing the public with comparisons of the operation of state boards that license health care providers, along with technical assistance for improvement; and
- o Evaluating current risk management practices in health care settings and establishing an interagency study group to review malpractice cases against the federal government for lessons applicable across the health care system.

Background

Malpractice costs -- both the direct costs of insurance, litigation, and settlements and the indirect costs of defensive medicine -- play a significant role in the rapid growth of health care costs. In 1960 overall health care costs represented 5.3 percent of Gross National Product (GNP); in 1989 they accounted for 11.2 percent of GNP.

The costs associated with medical liability have increased even more rapidly than overall health care costs. During the mid-1980's, medical liability was the fastest growing component of a physician's practice expense, rising at an average rate of 21.9 percent.

Liability costs also show great variation from jurisdiction to jurisdiction. Malpractice premiums paid by obstetricians in 1988, for example, were \$40,000 in California and \$186,000 in Florida. In some areas, the rise in premium costs has not allowed physicians to maintain economically viable operations, forcing practices to close. A study by the Institute of Medicine found that 67 counties in Georgia are without obstetrical services.

Liability costs show great potential for growth in the future. A study of hospital discharges in one state found that one percent of all cases involved negligence. Only one in eight were have found to have resulted in litigation. Current costs represent only the tip of the iceberg.

Legislative Proposals

In addition to administrative actions, the Administration will soon transmit to Congress two legislative bills to implement this initiative. The first would apply to claims arising under the Federal Tort Claims Act; the second would create incentives for states to implement tort and quality reforms.

States that implement these reforms would share in a bonus pool of funds. To allow a reasonable period for state action, the incentive mechanism would take effect in three years. The tort reforms a state would be required to have in place at the end of three years are:

- o A reasonable cap on non-economic damages -- those damages beyond economic expenses -- such as for as pain and suffering associated with the harm;
- o The elimination of joint and several liability for non-economic damages. Joint and several liability makes all parties responsible for the amount owed to the plaintiff;
- o The elimination of the collateral source rule to prohibit double recovery by the plaintiff when compensation has been received from other sources such as health insurance; and
- o A requirement that judgments for future costs, such as future medical bills, be paid in periodic payments rather than as a lump sum.

In addition, to receive incentive payments, a state must:

- o Have in operation an alternative dispute resolution mechanism such as arbitration, mediation, or pretrial screening panels; and
- o Demonstrate that it is improving the performance of its medical licensure process and meeting standards set by the Secretary of Health and Human Services.

These budget-neutral incentives would take the form of increased payments to hospitals and increased payments for Medicaid administrative costs. The incentive pools would be created by withholding one percent of amounts payable to hospitals through Medicare's prospective payment system for operating cost and one percent of amounts payable to states for the Medicaid administrative costs. The pools would be divided among states that have implemented the necessary tort reforms and quality assurance mechanisms.

FOCUSING ON PREVENTION:

The President also reiterated the importance of focusing on prevention. Data show that many of America's most common and deadly diseases are preventable, and that a greater investment in America's children might yield considerable savings in spending on social programs later in life. Prevention makes both social and economic sense.

About half of the 2.2 million deaths which occur in the U.S. every year are potentially preventable, as are many of the illnesses that afflict millions of Americans. One national goal is to avoid having people become sick from preventable illnesses and injuries, and to reduce the number of years of potential life lost due to preventable conditions. By not waiting for people to require treatment, prevention can both improve lives and reduce medical treatment costs.

Our generation has a responsibility to ensure that young people get as good a start in life as society can offer. As the next generation of Americans grows up, they should enjoy the benefits of efforts to prevent many of the diseases and deaths that afflict this generation.

In addition to the infant health initiative described above, the President's Fiscal Year 1992 Budget contains several initiatives that recognize the value of investment in prevention and in children. The Budget includes increased funding for:

- o the supplemental nutrition program for Women, Infants, and Children (WIC);
- o childhood immunizations;
- o breast and cervical cancer prevention;
- o smoking cessation;
- o physical fitness and nutrition programs;
- o injury prevention;
- o access to health care;
- o family planning;
- o lead poisoning prevention;
- o substance abuse prevention; and
- o evaluations of prevention and children's programs to ensure that Federal investments get the highest possible payoff.

#

9:30 A.M. NEWS UPDATE

MAY DAY (Moscow/UPI) -- Thousands of people representing official workers' groups marched sullenly through Red Square in the smallest and shortest May Day demonstration in memory in the Soviet capital.... The official May Day parade in Moscow...drew about 5,000 people, many of whom carried signs criticizing the central government.... There was very little applause when Gorbachev was introduced.

IRAQI UNREST (Athens/UPI) -- Sporadic clashes continued in southern Iraq between troops loyal to Saddam Hussein and pro-Iranian Shiite rebels, the official Islamic Republic News Agency said.... In one of the latest clashes in the south, Shiite rebels attacked army units in the Al-Shib region and seized a large quantity of weapons, IRNA said.... Quoting the Voice of Revolutionary Iraq, a rebel radio station, the news agency said another attack occurred in the Mashrah region, where the rebels killed 45 government troops and took some prisoners.

KURDS (London/Reuter) -- Kurdish representatives will return to Baghdad for more talks with Kurdish leaders on regional autonomy, the Iraqi Kurdistan Front said. The Front...said in a statement Kurdish delegates would present proposals to the Iraqi government.

ARAFAT (Tunis/Reuter) -- PLO Chairman Arafat said that Washington's attempts to bring about peace in the Middle East were close to collapse because of Israel's intransigence. "I must be frank with you...(the American plan) is on the point of sinking because of Israel's intransigence and refusals," Arafat said in a May 1 message to Palestinian workers, the PLO's WAFA news agency reported. "What will the U.S. administration do now? Will it use against Israel a tiny part of the means it used against Iraq (in the Gulf war)?" asked Arafat.

CHINA/HUMAN RIGHTS (Beijing/Reuter) -- Beijing will allow a French human rights delegation to visit China to investigate conditions, but has not responded to a request for an amnesty for dissidents, French Foreign Minister Dumas said.... "There is still progress to be made," Dumas said. "To call for an amnesty is a sensible idea. France will consider things to be completely normal when all that has been accomplished."

LEADING ECONOMIC INDICATORS (AP) -- The government's chief economic forecasting gauge rose 0.5 percent in March, its second consecutive monthly advance, the Commerce Department said.... "We're going to be plagued with mixed signals for the next several months," suggested Laurence Meyer, head of a St. Louis economic forecasting firm.

CAMBODIA (Bangkok/Reuter) -- A promised cease-fire failed to materialize in Cambodia despite statements from all four contending forces that they would stop fighting before peace talks, Thai and Cambodian military men said. "The cease-fire agreement is like a child who dies before it was born," Mitr Mao, a Khmer Rouge unit commander, said.

Ref.
J81
.C6
W4

SPEECHES OF THE AMERICAN PRESIDENTS

Edited by

**JANET PODELL
STEVEN ANZOVIN**

THE H. W. WILSON COMPANY

NEW YORK

1988

The president of the United States is president of all the people in every section of the country. But this office also holds a special responsibility to the distressed and disinherited, the hungry and the hopeless of this abundant nation.

It is in pursuit of that special responsibility that I submit this message to you today.

The new program I propose is within our means. Its cost of 970 million dollars is one percent of our national budget—and every dollar I am requesting for this program is already included in the budget I sent to Congress in January.

But we cannot measure its importance by its cost.

For it charts an entirely new course of hope for our people.

We are fully aware that this program will not eliminate all the poverty in America in a few months or a few years. Poverty is deeply rooted and its causes are many.

But this program will show the way to new opportunities for millions of our fellow citizens.

It will provide a lever with which we can begin to open the door to our prosperity for those who have been kept outside.

It will also give us the chance to test our weapons, to try our energy and ideas and imag-

ination for the many battles yet to come. As conditions change, and as experience illuminates our difficulties, we will be prepared to modify our strategy.

And this program is much more than a beginning.

Rather it is a commitment. It is a total commitment by this president, and this Congress, and this nation, to pursue victory over the most ancient of mankind's enemies.

On many historic occasions the president has requested from Congress the authority to move against forces which were endangering the well-being of our country.

This is such an occasion.

On similar occasions in the past we have often been called upon to wage war against foreign enemies which threatened our freedom. Today we are asked to declare war on a domestic enemy which threatens the strength of our nation and the welfare of our people.

If we now move forward against this enemy—if we can bring to the challenges of peace the same determination and strength which has brought us victory in war—then this day and this Congress will have won a secure and honorable place in the history of the nation, and the enduring gratitude of generations of Americans yet to come.

THE GREAT SOCIETY

Ann Arbor, Michigan, May 22, 1964

THE MAIN DOMESTIC GOAL of Johnson's administration was the establishment of what he called "the Great Society," a new social order that would go beyond the New Deal to guarantee "abundance and liberty for all" and "an end to poverty and injustice." America's growing wealth would be rationally deployed to better the lives of all Americans through an unprecedented series of progressive reforms, including federal funding of medical care, antipoverty measures, and educational improvement. He outlined his ideas in this commencement address before a crowd of eighty thousand at the University of Michigan.

After the twenty-minute speech, Johnson was euphoric. It was one of his more successful performances—he was interrupted by applause at least twenty-seven times—and the one, he believed, in which he finally separated himself from the Kennedy legacy.

It is a great pleasure to be here today. This university has been coeducational since 1870, but

I do not believe it was on the basis of your accomplishments that a Detroit high school girl

said, "In choosing a college, you first have to decide whether you want a coeducational school or an educational school."

Well, we can find both here at Michigan, although perhaps at different hours.

I came out here today very anxious to meet the Michigan student whose father told a friend of mine that his son's education had been a real value. It stopped his mother from bragging about him.

I have come today from the turmoil of your capital to the tranquility of your campus to speak about the future of your country.

The purpose of protecting the life of our nation and preserving the liberty of our citizens is to pursue the happiness of our people. Our success in that pursuit is the test of our success as a nation.

For a century we labored to settle and to subdue a continent. For half a century we called upon unbounded invention and untiring industry to create an order of plenty for all of our people.

The challenge of the next half century is whether we have the wisdom to use that wealth to enrich and elevate our national life, and to advance the quality of our American civilization.

Your imagination, your initiative, and your indignation will determine whether we build a society where progress is the servant of our needs, or a society where old values and new visions are buried under unbridled growth. For in your time we have the opportunity to move not only toward the rich society and the powerful society, but upward to the Great Society.

The Great Society rests on abundance and liberty for all. It demands an end to poverty and racial injustice, to which we are totally committed in our time. But that is just the beginning.

The Great Society is a place where every child can find knowledge to enrich his mind and to enlarge his talents. It is a place where leisure is a welcome chance to build and reflect, not a feared cause of boredom and restlessness. It is a place where the city of man serves not only the needs of the body and the demands of commerce but the desire for beauty and the hunger for community.

It is a place where man can renew contact

with nature. It is a place which honors creation for its own sake and for what it adds to the understanding of the race. It is a place where men are more concerned with the quality of their goals than the quantity of their goods.

But most of all, the Great Society is not a safe harbor, a resting place, a final objective, a finished work. It is a challenge constantly renewed, beckoning us toward a destiny where the meaning of our lives matches the marvelous products of our labor.

So I want to talk to you today about three places where we begin to build the Great Society—in our cities, in our countryside, and in our classrooms.

Many of you will live to see the day, perhaps 50 years from now, when there will be 400 million Americans—four-fifths of them in urban areas. In the remainder of this century urban population will double, city land will double, and we will have to build homes, highways, and facilities equal to all those built since this country was first settled. So in the next 40 years we must rebuild the entire urban United States.

Aristotle said: "Men come together in cities in order to live, but they remain together in order to live the good life." It is harder and harder to live the good life in American cities today.

The catalog of ills is long: there is the decay of the centers and the despoiling of the suburbs. There is not enough housing for our people or transportation for our traffic. Open land is vanishing and old landmarks are violated.

Worst of all expansion is eroding the precious and time honored values of community with neighbors and communion with nature. The loss of these values breeds loneliness and boredom and indifference.

Our society will never be great until our cities are great. Today the frontier of imagination and innovation is inside those cities and not beyond their borders.

New experiments are already going on. It will be the task of your generation to make the American city a place where future generations will come, not only to live but to live the good life.

I understand that if I stayed here tonight I would see that Michigan students are really doing their best to live the good life.

* This is the place where the Peace Corps was started. It is inspiring to see how all of you, while you are in this country, are trying so hard to live at the level of the people.

A second place where we begin to build the Great Society is in our countryside. We have always prided ourselves on being not only America the strong and America the free, but America the beautiful. Today that beauty is in danger. The water we drink, the food we eat, the very air that we breathe, are threatened with pollution. Our parks are overcrowded, our seashores overburdened. Green fields and dense forests are disappearing.

A few years ago we were greatly concerned about the "Ugly American." Today we must act to prevent an ugly America.

For once the battle is lost, once our natural splendor is destroyed, it can never be recaptured. And once man can no longer walk with beauty or wonder at nature his spirit will wither and his sustenance be wasted.

A third place to build the Great Society is in the classrooms of America. There your children's lives will be shaped. Our society will not be great until every young mind is set free to scan the farthest reaches of thought and imagination. We are still far from that goal.

Today, eight million adult Americans, more than the entire population of Michigan, have not finished five years of school. Nearly 20 million have not finished eight years of school. Nearly 54 million—more than one-quarter of all America—have not even finished high school.

Each year more than 100,000 high school graduates, with proved ability, do not enter college because they cannot afford it. And if we cannot educate today's youth, what will we do in 1970 when elementary school enrollment will be five million greater than 1960? And high school enrollment will rise by five million. College enrollment will increase by more than three million.

In many places, classrooms are overcrowded and curricula are outdated. Most of our qualified teachers are underpaid, and many of our paid teachers are unqualified. So we must give every child a place to sit and a teacher to learn from. Poverty must not be a bar to learning, and learning must offer an escape from poverty.

But more classrooms and more teachers are not enough. We must seek an educational system which grows in excellence as it grows in size. This means better training for our teachers. It means preparing youth to enjoy their hours of leisure as well as their hours of labor. It means exploring new techniques of teaching, to find new ways to stimulate the love of learning and the capacity for creation.

These are three of the central issues of the Great Society. While our government has many programs directed at those issues, I do not pretend that we have the full answer to those problems.

But I do promise this: We are going to assemble the best thought and the broadest knowledge from all over the world to find those answers for America. I intend to establish working groups to prepare a series of White House conferences and meetings—on the cities, on natural beauty, on the quality of education, and on other emerging challenges. And from these meetings and from this inspiration and from these studies we will begin to set our course toward the Great Society.

The solution to these problems does not rest on a massive program in Washington, nor can it rely solely on the strained resources of local authority. They require us to create new concepts of cooperation, a creative federalism, between the national capital and the leaders of local communities.

Woodrow Wilson once wrote: "Every man sent out from his university should be a man of his nation as well as a man of his time."

Within your lifetime powerful forces, already loosed, will take us toward a way of life beyond the realm of our experience, almost beyond the bounds of our imagination.

For better or for worse, your generation has been appointed by history to deal with those problems and to lead America toward a new age. You have the chance never before afforded to any people in any age. You can help build a society where the demands of morality, and the needs of the spirit, can be realized in the life of the nation.

So, will you join in the battle to give every citizen the full equality which God enjoins and the law requires, whatever his belief, or race, or the color of his skin?

Will you join in the battle to give every citi-

involving

zen an escape from the crushing weight of poverty?

Will you join in the battle to make it possible for all nations to live in enduring peace—as neighbors and not as mortal enemies?

Will you join in the battle to build the Great Society, to prove that our material progress is only the foundation on which we will build a richer life of mind and spirit?

There are those timid souls who say this battle cannot be won; that we are condemned to a soulless wealth. I do not agree. We have the power to shape the civilization that we

want. But we need your will, your labor, your hearts, if we are to build that kind of society.

Those who came to this land sought to build more than just a new country. They sought a new world. So I have come here today to your campus to say that you can make their vision our reality. So let us from this moment begin our work so that in the future men will look back and say: It was then, after a long and weary way, that man turned the exploits of his genius to the full enrichment of his life.

Thank you. Goodby.

WE SHALL OVERCOME

Washington, D.C., March 15, 1965

JOHNSON and his advisors were drafting what was to become the Voting Rights Act of 1965 when the issue of black voting rights suddenly came to national attention. The Southern Christian Leadership Conference, led by Martin Luther King Jr., had chosen Selma, Alabama, as the site of nonviolent protest marches against the general abridgment of voting rights for blacks throughout the South. Alabama police used tear gas and cavalry charges to disperse the marchers—the scene was viewed by millions on the evening television news—and Gov. George Wallace refused to guarantee the marchers' safety from marauding groups of whites.

On March 15, Johnson went before the nation and both houses of Congress to announce the voting rights legislation in a speech that is regarded as one of his most eloquent. Doris Kearns called the address "Lyndon Johnson at his best—homely, compassionate, audacious, and noble—[conveying] a hard, practical appeal and a strong moral statement. . . . [It] was that rare thing in politics, rarer still for Lyndon Johnson—a speech that shaped the course of events. For once, Americans would honor him for a greatness of spirit as well as a mastery of technique. For on this issue he was more than a giver of gifts, he had become a moral leader."

Four days later Johnson ordered the Alabama National Guard to protect the marchers, who left for Montgomery the next day.

I speak tonight for the dignity of man and the destiny of democracy.

I urge every member of both parties, Americans of all religions and of all colors, from every section of this country, to join me in that cause.

At times history and fate meet at a single time in a single place to shape a turning point in man's unending search for freedom. So it was at Lexington and Concord. So it was a century ago at Appomattox. So it was last week in Selma, Alabama.

There, long-suffering men and women peacefully protested the denial of their rights as Americans. Many were brutally assaulted. One good man, a man of God, was killed.

There is no cause for pride in what has happened in Selma. There is no cause for self-satisfaction in the long denial of equal rights of millions of Americans. But there is cause for hope and for faith in our democracy in what is happening here tonight.

For the cries of pain and the hymns and protests of oppressed people have summoned into

This attempt to micromanage casual conversation doesn't increase people's respect for one another. ~~Too often it sets people at odds.~~ It incites suspicion. It invites listeners to look for an insult in every word, gesture, action. In its own Orwellian way, it crushes diversity in the name of diversity.

If we really want to take full advantage of diversity we must encourage open and civil discussion -- everywhere. We must not permit "diversity" to become a code word for intellectual tyranny. Instead, we ought to devote ourselves to dialog that respects people's dignity, and treats ideas seriously.

Resorts to coercion: smoking/cops
I have been disturbed by recent trends toward bullying, especially in political conversation. There seems to be a cottage industry in which hotheads travel about and incite fights. Too often liberals and conservatives resort to fighting words -- to taunts and epithets that are supposed to intimidate their opponents, to make people afraid to speak.

This is outrageous, and not worthy of ^{our great} ~~us as~~ a nation. As Americans we ought to recommit ourselves to openness and tolerance. We must use our persuasive powers to conquer bigotry and prejudice. We must fight the temptation to assign bad motives to people who simply disagree with us.

You can lead the way. Share your thoughts and experiences; your hopes and frustrations. Only when we give of ourselves can we truly understand and appreciate one another. If harmony be our goal, let's pursue harmony -- ~~rather than a new Inquisition.~~

not
Unity of spirit & purpose vital to ach. common goals. ~

The virtue of free speech leads naturally to another, equally important dimension of freedom -- freedom of spirit. In recent ages, often with noble intentions, we as a nation have discouraged good works. Nowadays, many respond to misfortune by asking: Whom can I sue? And many would-be Samaritans must ask: Who can sue me? Just the other day....

not liability
~~At the same time, government programs have tried to assume~~
 roles once reserved for families, schools, churches. Franklin Roosevelt once described the dole -- his word, not mine -- as a narcotic. Every time Washington tries to act in behalf of families or churches, individuals discard their own sense of responsibility. *More disturbing, they sometimes direct their wrath at the very people we want to help - people truly in need.* They say: Why should I help the homeless? I'm already paying taxes to help them. Why should I help the poor? I'm already paying taxes to help them.

We in Washington bear some responsibility for this. Every time Congress passes a bill to address a social issue, it promises to solve that problem. But ~~of course~~, few bills do what they promise.

When President Johnson spoke here in 1964 he ^{addressed} ~~brought up~~ issues that haunt us still. He proposed revitalizing cities; rejuvenating schools; trampling down the hoary harvest of racism; protecting our environment.

He fought vigorously to enact the wisdom of his time. He believed that cadres of experts really could care for the millions. They would calculate ideal tax rates, ideal rates of expenditure on social programs, ideal distributions of wealth and

broadness of progress.

8

privilege. [↑]In many ways, theirs was an America by the numbers: If the numbers were right, America was right.

But bare numbers don't tell you much. Dollars don't always guarantee progress. Yet when programs failed to produce progress, we in government often blamed the people. We demanded even more. In time this politics of coercion -- of virtue on demand -- backfired. Programs designed to ensure racial harmony generated animosity. Programs intended to help people out of poverty have invited dependency.

We should have learned that while the ideals behind the Great Society were noble, the programs weren't always up to the task. We need to rethink the way we do things. ^{Let's And we ought to begin} We must decide ~~by telling the affirming our commitment to freedom. We ought to tell our people: We don't want whether we want an America by the numbers -- an America defined on America by the numbers. We want to build a community of commitment and trust. by census tracts, financial equations, distributional models, regulatory edicts -- or an America defined by its peoples virtues, desires, dreams.~~

~~I choose the latter. Our government ought to tell the people: We believe in you. Not: prove yourselves to us.~~

When I talked of a kinder, gentler nation in my inaugural address, I wasn't trying to create a slogan. ~~I was serious.~~ An effective government must be gentle, kind, firm and humble. It must know its limitations -- and respect its people's capabilities.

But the flip side of limited government is my final topic today -- responsibility.

to limit government to what it can and should do -- and let free people do what they do best.

Let me leave you today with an exhortation: Make the most of your abilities. Question authority but examine yourself. Demand good government, but strive to do what is good yourself. Muster the courage to be ^{what's called} a point of light, to take up the little deeds that enable great things to happen.

Also: define your missions positively. Don't seek out villains. Don't fall prey to obsessions about "freedom from" various ills ^{RISK} ~~such as want or fear of despair~~. Focus on freedom's promise -- on your promise.

We live in the most exciting period of my lifetime -- and quite possibly of yours. The great fears that have haunted us for a half-century are no more. What lies before us is a world of undefined possibility.

The old ways of doing things have run their course, and we must employ our imagination and our idealism to find new ways. Dare to serve others, and you will serve your nation well.

It may seem a cliché, but you really do hold the future in your hands. Treat it well -- and future generations will never forget the example you set.

Thank you. Congratulations. Good luck.

And may God bless you and the United States of America.

Kennedy,
Moonshot